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FISCAL IMPACT STATEMENT

LS 6985

BILL NUMBER: HB 1270

NOTE PREPARED: Jan 26, 2012

BILL AMENDED: Jan 25, 2012

SUBJECT: Commission for Higher Education.

FIRST AUTHOR: Rep. Clere

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill abolishes the State Student Assistance Commission (SSAC). The bill abolishes the Commission on Proprietary Education (COPE). The bill requires the Commission for Higher Education (Commission) to administer the functions formerly administered by SSAC. It provides that the Commission is responsible for accrediting a postsecondary credit bearing proprietary educational institution. The bill changes the current COPE into an advisory board to advise the Commission and the Commission's staff. The bill provides that the State Workforce Innovation Council is responsible for accrediting postsecondary proprietary educational institutions that are non credit bearing.

The bill increases the members of the Commission from 14 to 15 members. The bill provides that the chairman of the Postsecondary Credit Bearing Proprietary Educational Institution Advisory Board (PCBPEIAB) shall serve as a board member for the Commission for Higher Education.

It provides that, on or before July 1, 2014, the Postsecondary Credit Bearing Proprietary Educational Institution Advisory Board may make a report to the Legislative Council regarding the transition of responsibilities from the Commission of Proprietary Education to the Commission and may make recommendations. It provides that the market research of a postsecondary credit bearing proprietary educational institution or the approval of any other postsecondary educational institution may not be considered or required by the Commission as a condition for accrediting or renewing the accreditation of or for approval of the programs of a postsecondary credit bearing proprietary educational institution.

The bill repeals: (1) provisions relating to establishment and administration of SSAC; (2) provisions relating to establishment and administration of COPE; (3) certain provisions requiring the commission for higher

education to provide SSAC information to implement the minority teacher or nursing scholarship program; and (4) definitions relating to SSAC or COPE.

The bill adds transitional provisions. It makes conforming and technical amendments.

Effective Date: July 1, 2012.

Explanation of State Expenditures: (Revised) The bill transfers all the real and personal property, powers, duties, assets, liabilities, and appropriations to the new authorities designated under this consolidation. The chairman of the PCBPEIAB would be added as a board member for the Commission for Higher Education. PCBPEIAB could make a report to the Legislative Council regarding the transition of responsibilities from COPE to the Commission and may make recommendations of possible changes. The CHE and the State Workforce Innovation Council would be able to perform the current duties of SSAC and COPE within the current level of appropriations.

Background:

Agency	2013 Appropriation
Commission for Higher Education	\$1,255,225
State Student Assistance Commission	\$912,336
21st Century Administration	\$1,892,383
Freedom of Choice Grants	\$53,369,953
Higher Education Award Program	\$156,520,749
Nursing Scholarship Program	\$337,179
Tuition and Fee Exemption for Children of Veterans and Public Safety Officers	\$26,619,114
Part-Time Student Grant Distribution	\$7,851,835
Contract for Instructional-Opportunities for Southeastern Indiana	\$207,000
Minority Teacher Scholarship Fund	\$415,919
College Work Study Program	\$837,719
21st Century Scholars Awards	\$29,109,298
National Guard Scholarship	\$2,806,588
Total	\$280,880,073
Commission on Proprietary Education	\$273,550

Currently, SSAC has 23 employees, CHE has 12 employees, and COPE has 5 employees.

SSAC receives approximately 459,000 financial aid applications annually and provides about \$277 M in financial aid to about 74,000 students.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission, Commission on Proprietary Education, Commission for Higher Education, State Workforce Innovation Council.

Local Agencies Affected:

Information Sources: State Student Assistance Commission 2009-10 annual report, <http://www.in.gov/ssaci/2394.htm> . Commission for Higher Education, Jason Dudlich.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.